

## § 1.0-1

Section 1.25-6T also issued under 26 U.S.C. 25;  
Section 1.25-7T also issued under 26 U.S.C. 25;  
Section 1.25-8T also issued under 26 U.S.C. 25;  
Section 1.25A-1 also issued under section 26 U.S.C. 25A(i);  
Section 1.25A-2 also issued under section 26 U.S.C. 25A(i);  
Section 1.25A-3 also issued under section 26 U.S.C. 25A(i);  
Section 1.25A-4 also issued under section 26 U.S.C. 25A(i);  
Section 1.25A-5 also issued under section 26 U.S.C. 25A(i);  
Section 1.28-0 also issued under 26 U.S.C. 28(d)(5);  
Section 1.28-1 also issued under 26 U.S.C. 28(d)(5);  
Section 1.30-1 also issued under 26 U.S.C. 30(d)(2);  
Section 1.36B-4 also issued under 26 U.S.C. 36B(g);  
Section 1.41-6 also issued under 26 U.S.C. 1502;  
Section 1.41-8 also issued under 26 U.S.C. 41(c)(4)(B);  
Section 1.41-8T also issued under 26 U.S.C. 41(c)(4)(B);  
Section 1.41-9 also issued under 26 U.S.C. 41(c)(5)(C);  
Section 1.41-9T also issued under 26 U.S.C. 41(c)(5)(C);  
Section 1.42-1 also issued under 26 U.S.C. 42(n);  
Sections 1.42-1T and 1.42-2T also issued under 26 U.S.C. 42(m);  
Section 1.42-2 also issued under 26 U.S.C. 42(m);  
Section 1.42-3 also issued under 26 U.S.C. 42(n);  
Section 1.42-4 also issued under 26 U.S.C. 42(n);  
Section 1.42-5 also issued under 26 U.S.C. 42(n);  
Sections 1.42-6, 1.42-8, 1.42-9, 1.42-10, 1.42-11, and 1.42-12, also issued under 26 U.S.C. 42(n);  
Section 1.42-13 also issued under 26 U.S.C. 42(n);  
Section 1.42-14 also issued under 26 U.S.C. 42(n);  
Section 1.42-15 also issued under 26 U.S.C. 42(n);  
Section 1.42-16 also issued under 26 U.S.C. 42(n);  
Section 1.42-17 also issued under 26 U.S.C. 42(n);  
Section 1.42-18 also issued under 26 U.S.C. 42(h)(6)(F) and 42(h)(6)(K);  
Sections 1.43-0—1.43-7 also issued under section 26 U.S.C. 43;  
Section 1.45D-1 also issued under 26 U.S.C. 45D(e)(2) and (i);  
Section 1.46-5 also issued under 26 U.S.C. 46(d)(6) and 26 U.S.C. 47(a)(3)(C);

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Section 1.46-6 also issued under 26 U.S.C. 46(f)(7);  
Section 1.47-1 also issued under 26 U.S.C. 47(a);  
Section 1.48-9 also issued under 26 U.S.C. 38(b) (as in effect before the amendments made by subtitle F of the Tax Reform Act of 1984);  
Sections 1.50A—1.50B also issued under 85 Stat. 553 (26 U.S.C. 40(b));  
Section 1.52-1 also issued under 26 U.S.C. 52(b);  
Section 1.56-1 also issued under 26 U.S.C. 56(f)(2)(H);  
Section 1.56(g)-1 also issued under section 7611(g)(3) of the Omnibus Budget Reconciliation Act of 1989 (Pub. L. 101-239, 103 Stat. 2373); and  
Section 1.58-9 also issued under 26 U.S.C. 58(h).

SOURCE: T.D. 6500, 25 FR 11402, Nov. 26, 1960; 25 FR 14021, Dec. 21, 1960, unless otherwise noted.

### § 1.0-1 Internal Revenue Code of 1954 and regulations.

(a) *Enactment of law.* The Internal Revenue Code of 1954 which became law upon enactment of Public Law 591, 83d Congress, approved August 16, 1954, provides in part as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That*

(a) *Citation.* (1) The provisions of this Act set forth under the heading “Internal Revenue Title” may be cited as the “Internal Revenue Code of 1954”

(2) The Internal Revenue Code enacted on February 10, 1939, as amended, may be cited as the “Internal Revenue Code of 1939”.

(b) *Publication.* This Act shall be published as volume 68A of the United States Statutes at Large, with a comprehensive table of contents and an appendix; but without an index or marginal references. The date of enactment, bill number, public law number, and chapter number, shall be printed as a head-note.

(c) *Cross reference.* For saving provisions, effective date provisions, and other related provisions, see chapter 80 (sec. 7801 and following) of the Internal Revenue Code of 1954.

(d) *Enactment of Internal Revenue Title into law.* The Internal Revenue Title referred to in subsection (a)(1) is as follows:

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In general, the provisions of the Internal Revenue Code of 1954 are applicable with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954. Certain provisions of that Code are

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deemed to be included in the Internal Revenue Code of 1939. See section 7851.

(b) *Scope of regulations.* The regulations in this part deal with (1) the income taxes imposed under subtitle A of the Internal Revenue Code of 1954, and (2) certain administrative provisions contained in subtitle F of such Code relating to such taxes. In general, the applicability of such regulations is commensurate with the applicability of the respective provisions of the Internal Revenue Code of 1954 except that with respect to the provisions of the Internal Revenue Code of 1954 which are deemed to be included in the Internal Revenue Code of 1939, the regulations relating to such provisions are applicable to certain fiscal years and short taxable years which are subject to the Internal Revenue Code of 1939. Those provisions of the regulations which are applicable to taxable years subject to the Internal Revenue Code of 1939 and the specific taxable years to which such provisions are so applicable are identified in each instance. The regulations in 26 CFR (1939) part 39 (Regulations 118) are continued in effect until superseded by the regulations in this part. See Treasury Decision 6091, approved August 16, 1954 (19 FR 5167, C.B. 1954-2, 47).

### NORMAL TAXES AND SURTAXES

#### DETERMINATION OF TAX LIABILITY

##### TAX ON INDIVIDUALS

#### § 1.1-1 Income tax on individuals.

(a) *General rule.* (1) Section 1 of the Code imposes an income tax on the income of every individual who is a citizen or resident of the United States and, to the extent provided by section 871(b) or 877(b), on the income of a non-resident alien individual. For optional tax in the case of taxpayers with adjusted gross income of less than \$10,000 (less than \$5,000 for taxable years beginning before January 1, 1970) see section 3. The tax imposed is upon taxable

income (determined by subtracting the allowable deductions from gross income). The tax is determined in accordance with the table contained in section 1. See subparagraph (2) of this paragraph for reference guides to the appropriate table for taxable years beginning on or after January 1, 1964, and before January 1, 1965, taxable years beginning after December 31, 1964, and before January 1, 1971, and taxable years beginning after December 31, 1970. In certain cases credits are allowed against the amount of the tax. See part IV (section 31 and following), subchapter A, chapter 1 of the Code. In general, the tax is payable upon the basis of returns rendered by persons liable therefor (subchapter A (sections 6001 and following), chapter 61 of the Code) or at the source of the income by withholding. For the computation of tax in the case of a joint return of a husband and wife, or a return of a surviving spouse, for taxable years beginning before January 1, 1971, see section 2. The computation of tax in such a case for taxable years beginning after December 31, 1970, is determined in accordance with the table contained in section 1(a) as amended by the Tax Reform Act of 1969. For other rates of tax on individuals, see section 5(a). For the imposition of an additional tax for the calendar years 1968, 1969, and 1970, see section 51(a).

(2)(i) For taxable years beginning on or after January 1, 1964, the tax imposed upon a single individual, a head of a household, a married individual filing a separate return, and estates and trusts is the tax imposed by section 1 determined in accordance with the appropriate table contained in the following subsection of section 1:

	Taxable years beginning in 1964	Taxable years beginning after 1964 but before 1971	Taxable years beginning after Dec. 31, 1970 (references in this column are to the Code as amended by the Tax Reform Act of 1969)
Single individual .....	Sec. 1(a)(1) .....	Sec. 1(a)(2) .....	Sec. 1(c).
Head of a household .....	Sec. 1(b)(1) .....	Sec. 1(b)(2) .....	Sec. 1(b).
Married individual filing a separate return.	Sec. 1(a)(1) .....	Sec. 1(a)(2) .....	Sec. 1(d).
Estates and trusts .....	Sec. 1(a)(1) .....	Sec. 1(a)(2) .....	Sec. 1(d).

(ii) For taxable years beginning after December 31, 1970, the tax imposed by section 1(d), as amended by the Tax Re-

form Act of 1969, shall apply to the income effectively connected with the conduct of a trade or business in the